

star

BUSINESS

RMG WAGE BOARD
2nd meeting
ends without
decision

STAR BUSINESS REPORT

The second meeting of the board set up to revise the minimum wage for more than four million garment workers in Bangladesh ended yesterday without any specific decision.

Held at the office of the Minimum Wage Board in Dhaka, the meeting discussed various global and domestic issues, the current situation in the apparel sector, the market prices of basic commodities, and the rates of garment items in the international markets.

No proposal was put forward either by the owners or workers' representative in the meeting since the board has decided to visit three factories, small, medium and large, to hear about workers' expectation about the salary.

"I hope to submit the wage proposal in the

READ MORE ON B2

Natore's
Kancha Golla
wins GI tag

STAR BUSINESS REPORT

Kancha Golla, a popular sweet item made in the northwestern district of Natore, has secured recognition as a product with geographical indication (GI) from the Department of Patent, Industrial Design and Trade Mark (DPDT).

"We have given the GI recognition to Kancha Golla as it is part of our heritage. This will enable producers to commercialise the sweet product in the markets at home and abroad," said DPDT Director Jellur Rahman.

With this, Kancha Golla became the 17th product of Bangladesh that has so far received the GI status. Other GI tag winners include Jamdani, Shataranji, Hilsa, black tiger shrimp, Dhakai Muslin, Fazli, Ashwina and Langra mangoes.

In Bangladesh, the recognition is provided by the DPDT of the industries ministry in accordance with rules set by the World Intellectual Property Organisation.

Products are granted the GI tag when they have

READ MORE ON B2



A solar-powered pump set up on a boat to act as a mobile irrigation facility for croplands in chars. The 5-kilowatt pump can irrigate 40-50 bighas of land and costs Tk 2.5 lakh to set up. The facility came about under a one-year research project being jointly implemented by Rural Development Academy Bogura, Chars Development Research Centre and United Commercial Bank. The photo was taken at Noapara Char of Bogura's Shariakandi upazila on Wednesday.

PHOTO: MOSTAFA SHABUI

A fifth of banks jump on
digital bandwagon
to power growth

SOHEL PARVEZ

Nearly a fifth of conventional banks in Bangladesh are preparing to establish digital banks to expand their reach to every nook and cranny of the country, win and retain tech-savvy customers without physical presence.

Ten private banks have already formed a consortium to set up a digital bank – Digi10 Bank PLC – while Bank Asia and Brac Bank have also shared their decisions to become sponsors for two digital banks.

Two analysts have welcomed the bid by banks to join the digital banking segment, saying this will increase competition and include unbanked people in the formal financial system, enabling the country to attain its goal of financial inclusion and become a cashless economy.

Of the 10 banks, The City Bank, Eastern Bank, Mutual Trust Bank, Mercantile Bank, National Credit and Commerce Bank, and Pubali Bank have disclosed their plans to invest in a digital bank while Dutch-Bangla Bank Ltd and Trust Bank plan to join the



consortium.

"We will go for the digital bank if we get approval from our board," said Abul Kashem Md Shirin, managing director of DBBL.

He said the private bank wants to be a part of a digital bank to reach every part of Bangladesh and across the world and meet the demands of tech-savvy customers who prefer to carry out banking virtually.

"The current generation is tech-savvy, so we want to provide services to them digitally."

As per the central bank's guidelines, digital banks will not be able to set up any brick-and-mortar branch.

"Once Digi10 Bank gets

approval and is established, its clients will be able to avail the services of the 10 banks. The 10 banks have huge facilities," Shirin said.

In June, the Bangladesh Bank invited applications for digital bank licences.

The BB said digital banks would not be permitted to give out loans to carry out foreign trade or term loans to medium and large industries. It, however, limits the scope for conventional banks to establish a digital bank alone.

Syed Mahbubur Rahman, managing director of MTB, said: "The consortium of banks will help in terms of inclusiveness and increasing efficiency."

"This will help make the payments system strong and pave the way for the central bank to introduce its digital currency."

Rahman says banks are not rushing to set up digital banks out of fear of losing the market owing to expected competition from virtual banks, also known as neobanks.

"Rather, there is a lot of opportunity. We think we will be able to contribute to governance and ensure stricter compliance in the industry."

Investors willing to set up a digital bank will have to have a minimum paid-up capital of Tk 125 crore and the capital will have to come from sponsors.

The new entity must be a public limited company and the minimum stake of each sponsor will be Tk 50 lakh.

Humaira Azam, managing director of Trust Bank, said the bank plans to join the consortium as part of its motto of financial inclusion and digital transformation.

Brac Bank has decided to invest in bKash Digital Bank PLC as it is already a shareholder

READ MORE ON B3

Debt-to-GDP
ratio rises

STAR BUSINESS REPORT

Bangladesh's debt-to-GDP ratio rose by around two percentage points to 32.55 percent in the third quarter of last fiscal year 2022-23, according to the latest quarterly debt bulletin of the finance ministry.

On December 31, 2022, it was 30.56 percent.

The debt-to-GDP ratio is a comparison of a country's public debt and its gross domestic product (GDP), according to investopedia.com.

By comparing what a country owes with what it produces, the debt-to-GDP ratio indicates its ability to pay back its debts.

Though the debt to GDP ratio grew in the quarter, the finance ministry said it was still significantly lower than what the International Monetary Fund (IMF) recommends, which is less than 55 percent.

The total outstanding debt of Bangladesh was Tk 14,48,333 crore as of March 31, 2023, up from Tk 13,59,898 crore on December 31, 2022, the ministry data shows.

Out of the total debt of the country, 63 percent was domestic and the remaining 37 per cent owed abroad.

The domestic debt to GDP ratio rose to 20.57 percent from a previous 19.42 percent. Meanwhile, the external debt to GDP ratio went up to 12.01 percent from 11.14 percent.

READ MORE ON B3

TACKLING HUNDI, ONLINE GAMING
BFIU to work with
law enforcers

STAR BUSINESS REPORT

The Bangladesh Financial Intelligence Unit (BFIU) will work with law enforcement agencies to tackle hundi, online gambling, betting, foreign currency and crypto trading, officials said yesterday.

The decision came at a meeting arranged by the anti-money laundering agency at its office in Motijheel.

The move comes after the BFIU noticed that illegal transactions facilitating cross-border payments and online gambling and betting have increased rapidly in recent years.

BFIU chief Md Masud Biswas presided over the meeting where representatives from the Criminal Investigation Department of

READ MORE ON B3

powering with safety

Flame Retardant Cables

TRUSTED PROTECTION

FROM SHORT CIRCUIT FIRE

STOCKS		
	DSEX	CASPI ▼
	Flat	0.12%
	6,297.24	18,599.75

COMMODITIES		
	Gold ▲	Oil ▲
	\$1,921.23	\$84.30
	(per ounce)	(per barrel)



Visitors are seen surveying the latest innovations in industrial materials, components and services at the International Advanced Components and Technology Expo-2023. The three-day fair organised by Walton began yesterday at the International Convention City Bashundhara.

PHOTO: RASHED SHUMON

MEGA INDUSTRIAL EXPO
features 50,000 materials,
components and services

STAR BUSINESS REPORT

More than 50,000 industrial materials, components and services are on display at the three-day International Advanced Components and Technology Expo-2023, which began in Dhaka yesterday.

Walton, the leading electronics manufacturer in Bangladesh, organised the mega industrial fair, being held at the International Convention City Bashundhara.

Most of the showcased products are used as main raw materials or components in various stages of almost all industrial establishments.

For example, more than 250 components are required to manufacture a refrigerator while more than 400 components are needed for an air conditioner (AC).

So, Walton is displaying such components before manufacturers and consumers through a total of 21 stalls in four categories, the organisers said.

Commerce Minister Tipu Munshi inaugurated the fair at around 11:00am and after a while, a number of visitors were seen enjoying the latest technologies available at various stalls.

Delwar Hossain, a local trader from the Shyampur area of Dhaka, said he visited the AC and refrigerator stalls to

gather information about Walton's latest innovations for those products.

Another visitor, James Shahrear, who is an official of Whirlpool Bangladesh, said he came to the fair to learn about the small components they usually have to import for their appliances.

Most of the products on display are used as main raw materials or components in various stages of almost all industrial establishments.

"Reducing the cost of raw materials and spares is the main challenge. So, I came here to know if the cost of Walton's products meets our requirements," he added.

Ahsan H Mansur, executive director of the Policy Research Institute of Bangladesh, also visited the fair.

"Walton is making more than 50,000 industrial materials and components. It is really a big deal. Bangladesh's electronics industry will go further with the help of Walton," he said.

Speaking as chief guest, Commerce Minister Tipu Munshi said Walton has become an icon in Bangladesh's manufacturing sector.

READ MORE ON B2

NCC Bank declares 10% dividends

STAR BUSINESS DESK

NCC Bank Ltd approved 10 percent dividends, including 5 percent cash dividend, for the year that ended on December 31, 2022.

This approval was given at the bank's 38th annual general meeting, which was held virtually yesterday, said a press release.

Md Abul Bashar, chairman of the bank, presided over the meeting, where Sohela Hossain, vice-chairperson, Mohammad Mamdudur Rashid, managing director and CEO, and Md Monirul Alam, company secretary, were present.

Highlighting the business progress, Bashar said that the shareholders' equity, total assets, and earnings per share of the bank are increasing gradually which is reflected in credit ratings and CAMELS rating of the bank.

"NCC Bank continuously maintains positive growth by ensuring transparency and accountability as well as using advanced technology and ensuring better customer services, which will continue in the future also," he added.



PHOTO: NCC BANK

Md Abul Bashar, chairman of NCC Bank, presides over the bank's 38th annual general meeting, which was held virtually yesterday. Shareholders approved 5 percent cash and 5 percent stock dividends at the meeting.



Nazeem A Choudhury, deputy managing director of Prime Bank, and Md Tareq Moin Udden, director and chief commercial officer of Dotlines Bangladesh, exchange signed documents of an agreement on free internet service at the former's head office in Dhaka recently.

PHOTO: PRIME BANK

Pragati Life Ins announces 12% cash dividend

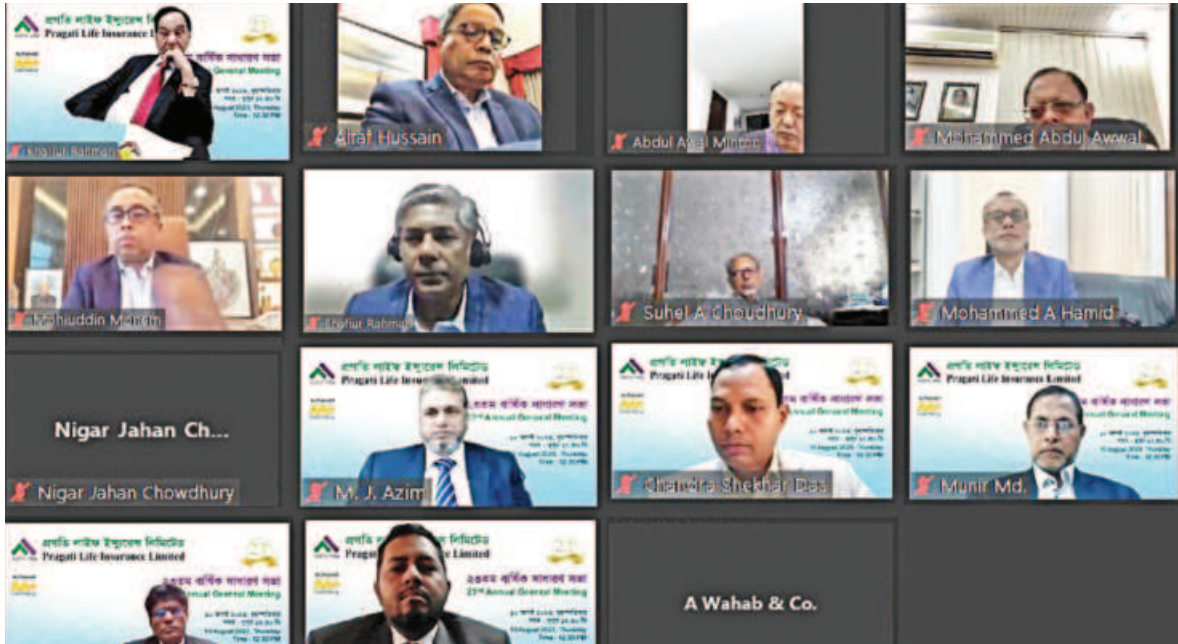
STAR BUSINESS DESK

Pragati Life Insurance Ltd approved 12 percent cash dividend for the year that ended on December 31, 2022.

The approval was given at the insurer's 23rd annual general meeting, which was held virtually yesterday, said a press release.

Khalilur Rahman, chairman of the insurer, presided over the meeting, where Syed M Altaf Hussain, Abdul Awal Mintoo, Mohammed Abdul Awwal, ASM Mohiuddin Monem, Md Shafiur Rahman, Mohammed Abdul Hamid, Nigar Jahan Chowdhury, and Suhel Ahmed Choudhury, directors, also attended the meeting.

Md Jalalul Azim, chief executive officer, Chandra Shekhar Das, chief financial officer, and Jagadish Kumar Bhanja, company secretary, along with a large number of shareholders joined the meeting.



Khalilur Rahman, chairman of Pragati Life Insurance, presides over the insurer's 23rd annual general meeting yesterday. Shareholders approved 12 percent cash dividend at the meeting.

PHOTO: PRAGATI LIFE INSURANCE

Students can pay certain fees thru bKash

STAR BUSINESS DESK

Students, like previous years, can pay admission fees of class XI, technical and diploma for the 2023-24 session through bKash app conveniently.

The first phase of the online application of different education boards is scheduled from August 10 to 20.

The students selected in the first phase will also be able to pay registration fees like application fee through bKash app to continue the admission process, said a press release.

One needs to tap on the "Education Fee" icon of the app to pay the application fee from bKash app.

Therefore, tap on "XI Class Admission", put the name of the education board, passing year, roll number and mobile number to complete subsequent steps.

After checking the fee amount, tap to complete the transaction with bKash PIN in the last step.

Applicants will get a message and a digital receipt upon successful transaction.

Honda posts 78% rise in Q1 profit

REUTERS, Tokyo

Japan's Honda Motor reported a 78 percent rise in quarterly profit on Wednesday, boosted by increased sales, especially in the North American market, and a weaker yen.

Japan's second biggest automaker by sales said its operating profit totalled 394.4 billion yen (\$2.76 billion) in the three months through June, handily beating the average 324.74 billion yen estimate in a poll of 10 analysts by Refinitiv.

That compared with a 222.2 billion yen profit in the same period last year.

Like other automakers, Honda said it benefited from strong sales to retail customers in the key US market, posting a 44.7 percent year-on-year jump to 347,000 units, as the impact of post-pandemic disruptions in the supply of parts and chips eases.

PRICES OF KEY ESSENTIALS IN DHAKA CITY			
	PRICE (AUG 10, 2023)	% CHANGES FROM A MONTH AGO	% CHANGE FROM A YEAR AGO
Fine rice (kg)	Tk 60-Tk 75	0	-3.57 ↓
Coarse rice (kg)	Tk 48-Tk 52	2.04 ↑	-1.96 ↓
Loose flour (kg)	Tk 50-Tk 52	-4.67 ↓	17.24 ↑
Lentil (kg)	Tk 90-Tk 100	0	-9.52 ↓
Soybean (litre)	Tk 160-Tk 165	-4.97 ↓	1.56 ↑
Potato (kg)	Tk 36-Tk 40	-8.43 ↓	31.03 ↑
Onion (kg)	Tk 70-Tk 80	0	76.47 ↑
Egg (4 pcs)	Tk 50-Tk 55	9.38 ↑	16.67 ↑

SOURCE: TCB

Mega industrial expo features

FROM PAGE B1

Hesaid Walton is manufacturing every product needed in the electronics sector, reducing the country's billion-dollar import expenses and contributing to employment and export earnings.

"Walton has already created 30,000 jobs and set a \$10 billion export target by 2030," Munshi added.

The commerce minister also said that if Walton had not started producing electronic products, Bangladesh would have had to pay billions of dollars more on import bills.

"Thanks to Walton's visionary entrepreneurship, people of the country can now buy essential electronics at affordable prices," he added.

SM Mahbubul Alam, director of Walton Hi-Tech Industries, said the components they make can be used by other industries.

"If local companies use each other's manufactured components, the cost of production will be reduced while the growth and capacity of domestic



industries will increase greatly," he added.

Golam Murshed, managing director and CEO of Walton Hi-Tech Industries, said the company exemplifies Bangladesh's potential in the global industrial and

manufacturing sector through its work.

This is possible because of the government's policy support and the trust of customers.

"If the government's policy support and peoples' trust are maintained,

Walton will take Bangladesh to a unique height in the world," he added.

Sameer Sattar, president of the Dhaka Chamber of Commerce and Industry, said Walton also serves the backward linkage sector of Bangladesh.

"The growth of Walton, both in local and international markets, is a matter of price. The company is contributing our 'Made in Bangladesh' identity across the globe," he added.

Mahbubul Alam, president of the Federation of Bangladesh Chambers of Commerce and Industry, said an uninterrupted supply of electricity and policy support are needed for local manufacturing industries.

Among others, Leo Tito L Ausan Jr, ambassador of the Philippines to Bangladesh, Prof Shibli Rubayat-ul-Islam, chairman of the Bangladesh Securities and Exchange Commission, Nishat Tasnim Shuchi, director of Walton High-Tech Industries, and AHM Ahsan, vice-chairman of the Export Promotion Bureau, also spoke.

2nd meeting ends without decision

FROM PAGE B1

next meeting to be held next month," said Sirajul Islam Rony, president of the Bangladesh National Garment Workers Employees League. He represents workers on the new board.

Rony also said workers' views are important before placing any formal proposal. "The views and opinions of other trade unions will also be considered."

Workers' basic salary, house rent, service benefits, various allowances, workers' pension benefits, and food intake will be taken into account in framing the monthly wage structure, Rony told The Daily Star over the phone.

A majority of the unions in the garment sector have demanded a minimum monthly wage of Tk 23,000.

Md Siddiqur Rahman, owners' representative on the board, said both workers' representative and owners' representative are expected to place their proposal in the next meeting.

He said the board is taking more

time as it is observing the market situation of the apparel sector since it has been facing a severe fallout stemming from the dragging impact of Covid-19 and the lingering Russia-Ukraine war.

The entrepreneur said the main markets of garment items manufactured in Bangladesh are going through high inflationary pressure driven by the global energy crisis.

"But if the business situation improves a bit, a good hike in the salary might be possible."

In April, the government formed the board, which is headed by Liaquet Ali Molla. And it came because workers have been passing through a difficult time owing to higher consumer prices for the past one year.

The current minimum wage for a garment worker is Tk 8,000 per month, which came into effect in December 2018.

The board has until December this year to announce a new wage structure.

Ensure conducive

FROM PAGE B4

The dialogue aims at streamlining operational efficiency and enhancing the overall revenue without imposing additional burdens on existing taxpayers.

The speakers also said modernising and digitalising the tax system is imperative to shed outdated practices.

Notably, the vision of a tax-friendly environment that transcends traditional paperwork and human interactions was heralded as a central aspiration.

Realising this vision requires comprehensive reforms within

Bangladesh's taxation system, which can be achieved through increased engagement of the private sector, strategic investments, and unwavering political determination, the press release said.

This concerted effort aims to pave the way for a taxation landscape that is not only forward-looking but also responsive to the evolving needs of the economy, it said.

FDI increased 20 per cent year-on-year to \$3.48 billion in 2022 for a surge in reinvestment of earnings by foreign companies, showed data from Bangladesh Bank.

Natore's Kancha Golla

FROM PAGE B1

unique characteristics that help identify their country of origin for being definable by the materials, climate and culture with which they were made.

This in effect highlights the traditions and reputation of products made within a particular area or country, helping fetch higher prices compared to similar products manufactured elsewhere.

And as a branch of intellectual property rights, the GI tag ensures that marketing rights and legal protection is reserved for the origin countries of certified products.

In March this year, Shameem Ahmed took up the initiative to attain the GI status for Kancha Golla when he was the deputy commissioner of Natore.

Subsequently, the district administration filed an application with the DPDT to prevent the distortion of the nearly 263-year-old Kacha Golla and win the recognition.

Ahmed, who is currently the deputy commissioner of Rajshahi, told The Daily Star that he is happy that Natore's Kancha Golla has been recognised as a GI product.

Abu Naser Bhuiyan, deputy commissioner of Natore, said Natore will be appreciated further at home and abroad after Kancha Golla was recognised as a GI product.

The Geographical Indication (Registration and Protection) Act 2013 aims to grant intellectual property protection for goods made using the ingenuity and traditional knowledge of local producers.



PHOTO: STAR

Kancha Golla becomes the 17th product of Bangladesh to get the GI status.



Fishers in Bangladesh are getting ready to set sail in the Bay of Bengal as the sea has calmed down following a recent depression. The picture was taken at the Fishery Ghat in Cox's Bazar yesterday.

PHOTO: MOKAMMEL SHUVO

Trading yet to gear up in Khatunganj

Unloading partially resumes at Ctg port's outer anchorage

DWAIPAYAN BARUA, Ctg

Trader turnout remained poor at Khatunganj's wholesale hub for essential commodities while import cargo delivery low from the Chattogram port's outer anchorage yesterday although it stopped raining in the last two days following incessant downpours since last Thursday. However, different upazilas in Chattogram still remain flooded while the Bay of Bengal turbulent. Most low-lying areas in the port city were inundated for four consecutive days since last Friday but this year no waterlogging has been seen at the trading hub of Khatunganj. This was owing to the trial operation of a few sluice gates which are being installed at the entrance of the Chaktai canal as a part of an ongoing project to combat waterlogging. Traders said water this time did not enter the wholesale shops and warehouses but the trade had substantially fallen due to the incessant rain. Though the rains have stopped since

Tuesday evening vast areas in the southern and northern districts of Chattogram are still under flood waters, due to which traders were yet to turn up, leading to poor business at Khatunganj in the last two days. Meher Traders, a wholesale firm of onion, garlic and ginger at Hamidullah Mia Market, usually sees sales of over 200 sacks of these goods on a normal day. Md Ali Talukdar, proprietor of the firm, yesterday said there was no sale at his shop on the first four days of this week for the rains and trade resumed slightly since Wednesday. Traders from southern areas like Chandanaish, Satkania, Chakaria and Cox's Bazar are their main clients and those areas are still under flood waters. Traders from some nearby city markets have started showing up and in the last two days his firm could attain only 20 percent of their normal sales, informed Talukdar. Syed Sagir Ahmad, general secretary of the Khatunganj Trade and Industries Association, said the wholesale trading

hub housing around 5,000 big and small shops usually sees daily trade of around Tk 2,500 crore. Now it has come down to only 20 percent to 30 percent of that, he said, hoping for the situation to get better next week once the weather became favourable. Unloading of import cargoes from large ships at the outer anchorage of the Chattogram port resumed partially since Wednesday noon on staying suspended for five days due to the downpour and for cautionary signal number 3 remaining in place. Officials of Water Transport Cell, a private organisation that deals with the business of a portion of lighterage vessels at the port, said some lighterage vessels went out to the outer anchorage to bring cargo from bigger ships after the rains stopped. But the workers were able to unload goods only during low tide because the sea was still turbulent during high tide, they said. At least 46 big vessels carrying around 15 lakh tonnes of import cargo were

anchored at the outer anchorage as of yesterday. At least 35 out of these ships had been sitting idle for the past five days till Wednesday morning due to the inclement weather. Unloading of goods from these ships partially resumed over the last two days. Seacom Shipping is the local agent of five of the vessels that have been sitting idle for the past five days till Tuesday. Officials said unloading of goods has resumed from three of them so far. Out of the five vessels, MV Amis Brave carrying 59,000 tonnes of slag, imported for the Premier Cement factory, arrived on July 23. It has been sitting idle since last Thursday with only 1,800 tonnes of cargo left on board. It was possible to unload the cargo from the vessel on Wednesday and it left on the same day. Seacom Shipping Managing Director Zahur Ahmad said the importer had to count at least \$15,000 as demurrage for each day of additional stay of the vessel. Importers of most of the other ships faced the same demurrage, he said.

BRICS bank looks to local currencies

REUTERS, Johannesburg/Shanghai

Hobbled by the impact of sanctions against founding shareholder Russia, the New Development Bank (NDB) set up by the BRICS countries needs to increase its local currency fundraising and lending, South Africa's finance minister told Reuters. South Africa will host leaders of the other BRICS nations - Brazil, Russia, India and China - as the bloc aims to widen its influence at a Johannesburg summit later this month. Finance Minister Enoch Godongwana said boosting local currency usage among the NDB's members will also be on the agenda, with the aim of de-risking the impact of foreign exchange fluctuations rather than de-dollarisation. The greenback has gained against emerging market currencies since Russia invaded Ukraine and the Federal Reserve began raising interest rates to fight inflation in early 2022, making dollar debt more costly for those countries to service. "Most countries that are members of the NDB have been encouraging (it) to provide loans in local currencies," Godongwana said. Established in 2015 as the flagship financial project of the bloc, the NDB's ambition to serve emerging economies and de-dollarise finance have been curbed by economic realities and Moscow's invasion of Ukraine.



"(It is) not doing as much as member countries require, but that is the strategic direction we are pushing the bank (in)," Godongwana said in a telephone interview last week. Increasing local currency fundraising and raising capital from new members could help the NDB in tough times, cutting its dependence on US capital markets where sanctions against Russia have driven up its borrowing costs, analysts said. The NDB has expanded from its original core of five to eight and only makes loans in member countries. Chief Financial Officer Leslie Maasdorp told Reuters in an interview at the NDB headquarters in Shanghai that the bank aims to increase local currency lending from about 22 percent to 30 percent by 2026, but that there were limits to de-dollarisation. "The bank's operating currency is dollars for a very specific reason, US dollars are where the largest pools of liquidity are," he said. The bank is responsive to its members and will decide the mix of currencies it lends in based on their demands, Maasdorp said in emailed comments. Of more than \$30 billion in loans approved by the NDB, two-thirds were in dollars, an April investor presentation showed.

Russia halts currency buys as rouble tumbles

AFP, Moscow

The Russian central bank said it would no longer purchase foreign currency on the domestic market from Thursday, as it sought to prop up the ruble, at its lowest level against the dollar since March 2022. "The Bank of Russia has decided that, from 10 August through 31 December 2023, it will not buy foreign currency in the domestic market," the central bank said in a

statement late Wednesday. "This decision is aimed at reducing volatility in financial markets," it said. With the announcement, the bank is setting aside its budget rule, under which Russia buys or sells foreign currency stored in its National Wealth Fund to compensate for fluctuations in revenues from oil and gas exports. The move comes after the ruble fell sharply in recent weeks, prompting fears among many Russians that their

standard of living could take a hit. On Thursday morning, Russia's currency was trading at 107 rubles to the euro and 97 rubles to the dollar, its lowest levels since the early days of Moscow's offensive in Ukraine. The central bank had restarted purchases of foreign exchange under the budget rule in January, after a pause of almost 10 months that saw Russia hit with a raft of Western sanctions in response to the conflict in Ukraine.

BFIU to work with law enforcers

FROM PAGE B1

Bangladesh Police, the Cyber Crime Department of the Dhaka Metropolitan Police, the Bangladesh Telecommunication Regulatory Commission and the private sector were present. Biswas asked the representatives to work together to combat illegal activities and take punitive measures

against those involved. The BFIU is interested to share intelligence with others to eliminate hundi, online gambling, betting, forex and crypto trading, he said. According to a number of BFIU officials, money laundering has increased on the back of hundi and online gambling and this has appeared as a major concern.

Gambling and online betting are banned in Bangladesh but many people are taking part in those activities, sending precious US dollars abroad through gaming accounts, a tendency that is hurting the country's foreign currency reserves. The BFIU found mobile financial service accounts are being used for online gambling.

A fifth of banks

FROM PAGE B1

of the largest mobile financial service provider in the country. "bKash will become a digital bank and this is a normal transformation for them. And we, as a shareholder, want to be part of that," said Selim RF Hussain, managing director of the bank. He said digital banks have not become immensely successful in the world, so traditional lenders in Bangladesh don't feel that they would be left behind as digital banking will gain traction. "Digital banks are unlikely to become profitable overnight. A lot of investment will be required."

Shah Md Ahsan Habib, a professor at the Bangladesh Institute of Bank Management, says there is a concern about how far a digital bank will succeed. "It appears that banks are collectively going for digital banks to stay ahead in the competition and expand their market." He says digital banks can do a lot in terms of raising access to funds for small and medium enterprises and providing small loans to people who are still not under the formal financial system. "So, there is nothing wrong if those who have platforms come to offer digital banking. This will rather create

a greater competitive environment and people will reap the benefit." Md Shahidul Islam Zahid, a professor at the banking and insurance department at the University of Dhaka, said the move by banks should be welcomed as it will have a positive impact. "Clearing and fund transfers will be faster and all will benefit. However, awareness and banking literacy is required." He said a large portion of the population is still not accustomed to the conventional banking system. "So, it is important to see whether investment in digital banking will ensure return."

Debt-to-GDP ratio rises

FROM PAGE B1

As of March 31, 2023, total domestic debt stood at Tk 9,15,135 crore. Of that, 54 percent was to the banking sector and 39 per cent for savings instruments. Another 7 per cent was for provident funds of the government. During the first nine months of last fiscal year, net borrowing from the savings certificates was Tk 4,162 crore

in the negative as people redeemed a higher number of certificates than what they purchased. The report said various reform initiatives, such as an online issuance process, logical investment limit, and introduction of multi-tier interest rates along with inflation contributed to the reduction of the net sales of the national savings instruments. Though the domestic debt was

higher with the banking sector, the government had to spend more for the non-banking lenders due to the higher interest rate of the savings instruments. In the year, the spending behind interest payments was higher than that in the same period of the previous year owing to the higher interest rate in the banking sector amidst a liquidity crunch.



SAJIDA Foundation is a prominent non-profit organisation dedicated to transforming the lives of underprivileged communities in Bangladesh with its Development programme, Microfinance programme, Social Enterprises and SAJIDA Hospital with 399 offices covering 36 districts serving millions of members is looking for an experienced professional for the following positions:

- Chief Financial Officer (CFO)
- Associate Director, Finance & Accounts
- Finance Manager (Social Enterprises)

Job Location: Head Office

Benefits and Compensation: Salary with Contributory Provident Fund, Gratuity, Leave Encashment, Mobile & Internet allowance, Life & Medical insurance, Festival Bonus, Yearly Inflation adjustment, and Performance Bonus.

Application Process: Interested candidates should submit online applications through the below link by 23 August 2023.

Application link: <https://career.sajida.org>

SAJIDA Foundation is an Equal Opportunity Employer. Women and persons of the third gender are encouraged to apply.

For Organisation details, please visit: www.sajida.org

Health, Happiness & Dignity for All

South Korean company to invest \$9.39m in Bepza EZ

STAR BUSINESS REPORT

South Korean company Giant BD Footwear Ltd will invest \$9.39 million to set up a shoe and shoe accessories manufacturing plant in Bepza Economic Zone (Bepza EZ).

This fully foreign-owned company will produce 20 million pairs of different kinds of shoes, sandals and shoe accessories per year, while 600 Bangladeshi nationals will get employment opportunities, Bepza said in a press release.

Bangladesh Export Processing Zones Authority (Bepza) signed an agreement with the company to this effect at Bepza Complex in Dhaka yesterday.

Ali Reza Mazid, investment promotion member of Bepza, and Kim Byung Jin, chairman of Giant BD Footwear Ltd, signed the agreement.

Ensure conducive tax environment to enhance FDI

Experts, investors say

STAR BUSINESS REPORT

Establishing a competitive tax framework is essential for Bangladesh to attract a higher level of foreign direct investment (FDI), said a number of experts and investors.

They made the comments at a dialogue on "Conducive Tax Environment for Foreign Direct Investment (FDI) in Bangladesh" at the Gulshan Club in the capital on Wednesday, according to a press release.

Jointly organised by the Policy Exchange Bangladesh (PEB) and the Foreign Investors Chamber of Commerce and Industry, the event delved into the intricate interplay between FDI and the nation's tax structure, dissecting key challenges and options for charting a progressive path forward.

Distinguished luminaries from both the private and public sectors, including former members of the National Board of Revenue, top executives from several multinationals, leaders of local and bilateral chambers, tax professionals and experts well-versed in Bangladesh's tax ecosystem, attended the dialogue.

While presenting the keynote paper, M Masrur Reaz, chairman of the PEB, laid bare the current state and challenges impeding FDI, the intricacies of the country's tax system and its dominant role in investment decisions.

Speakers said FDI holds a pivotal role in shaping Bangladesh's journey towards becoming a smart and high-income nation by 2041, according to the press release.

The potential of FDI to provide the much-needed boost to growth engines and overcome challenges related to global value chain integration and technological innovation was widely recognised.

The speakers highlighted that adopting a progressive mindset and creating a tax regime that stands on par with neighbouring nations are crucial for attracting increased FDI inflows.

Bangladesh necessitates a stable and forward-looking tax policy that aligns with the national vision, thereby fostering greater investor confidence, they said, calling for transparency and efficiency in documentation processes.

READ MORE ON B2

Biden orders ban on certain US tech investments in China

REUTERS, New York/Washington

President Joe Biden on Wednesday signed an executive order that will prohibit some new US investment in China in sensitive technologies like computer chips and require government notification in other tech sectors.

The long-awaited order authorizes the US Treasury secretary to prohibit or restrict US investments in Chinese entities in three sectors: semiconductors and microelectronics, quantum information technologies and certain artificial intelligence systems.

The administration said the restrictions would apply to "narrow subsets" of the three areas but did not give specifics. The proposal is open for public input.

The order is aimed at preventing American capital and expertise from helping China develop technologies that could support its military modernization and undermine US national security. The measure targets private equity, venture capital, joint ventures and greenfield investments.

Biden, a Democrat, said in a letter to Congress he was declaring a national emergency to deal with the threat of advancement by countries like China "in sensitive technologies and products critical to the military, intelligence, surveillance or cyber-enabled capabilities."

China said on Thursday it is "gravely concerned" about the order and that it reserves the right to take measures.

The order affects normal operation and decision-making of enterprises, and undermines the international economic and trade order, a statement from the Chinese Commerce Ministry read.

READ FULL STORY ONLINE

Pragati to start assembling sedans by December

JAGARAN CHAKMA

Pragati Industries Limited (PIL), a state-run automobile assembler of Bangladesh, is going to start assembling sedans of foreign make by December this year, according to company officials.

"Whether it is a Japanese or Korean brand, we will start assembling sedans by December," said Md Abul Kalam Azad, managing director of PIL, citing how they are already engaged in discussions to this end.

Earlier in May, the PIL had reached a consensus with Mitsubishi Motors Corporation (MMC) to establish a complete knock-down setup for assembling cars designed by the Japanese automaker.

"But the MCC is yet to inform us exactly how they would provide technical cooperation. Still, we are hopeful about getting a final decision soon," he told The Daily Star yesterday.

Azad also said they would expand the necessary facilities for assembling sedans with technical help from the MMC.

"To implement this with the approval of Prime Minister Sheikh Hasina, we sent our detailed plan to the MMC in the first week of July," he added. "We shared the plan with the MMC so that they can take necessary measures for technical cooperation."

As per the plan, the PIL aims to assemble Mitsubishi sedans with an engine capacity of 1.2 to 1.6 litres for regular customers in the country.

And barring any unforeseen circumstance, the company will be able to launch marketing campaigns for the new cars at the beginning of 2024.

Azad said the price of locally assembled models will be at least Tk 5 lakh less compared to imported ones as there is no supplementary duty.

As such, he believes customers will get brand new "Made in Bangladesh" sedans at reasonable prices in the near future.

"We will gradually use local components for up to 30 percent of a locally-assembled unit to ensure that it can be given the 'Made in Bangladesh' tag," Azad added.

Azad also said the PIL has skilled technicians with considerable experience in assembling Mitsubishi cars.

Besides, assembling such sedans is easy as the chassis will be imported with the engine from Japan.

PIL currently assembles sport utility vehicles, such as the Pajero Sport, active sports crossovers and double-cabin pickups of the Japanese brand as well as buses designed by India's Tata.

In March, Prime Minister Sheikh Hasina urged for using locally-manufactured cars of PIL instead of imported vehicles for development

projects considering the current economic situation.

Regarding the budget, Azad said PIL will itself mobilise the necessary funds to set up the sedan assembling plant.

According to him, they will primarily assemble a minimum of 200 sedans each year on a pilot project basis.

"The number of assembled cars will then be gradually increased," he said.

Since 1966, Mitsubishi has been outsourcing its production activities in Bangladesh to PIL, which is a concern of the Bangladesh Steel and Engineering Corporation.

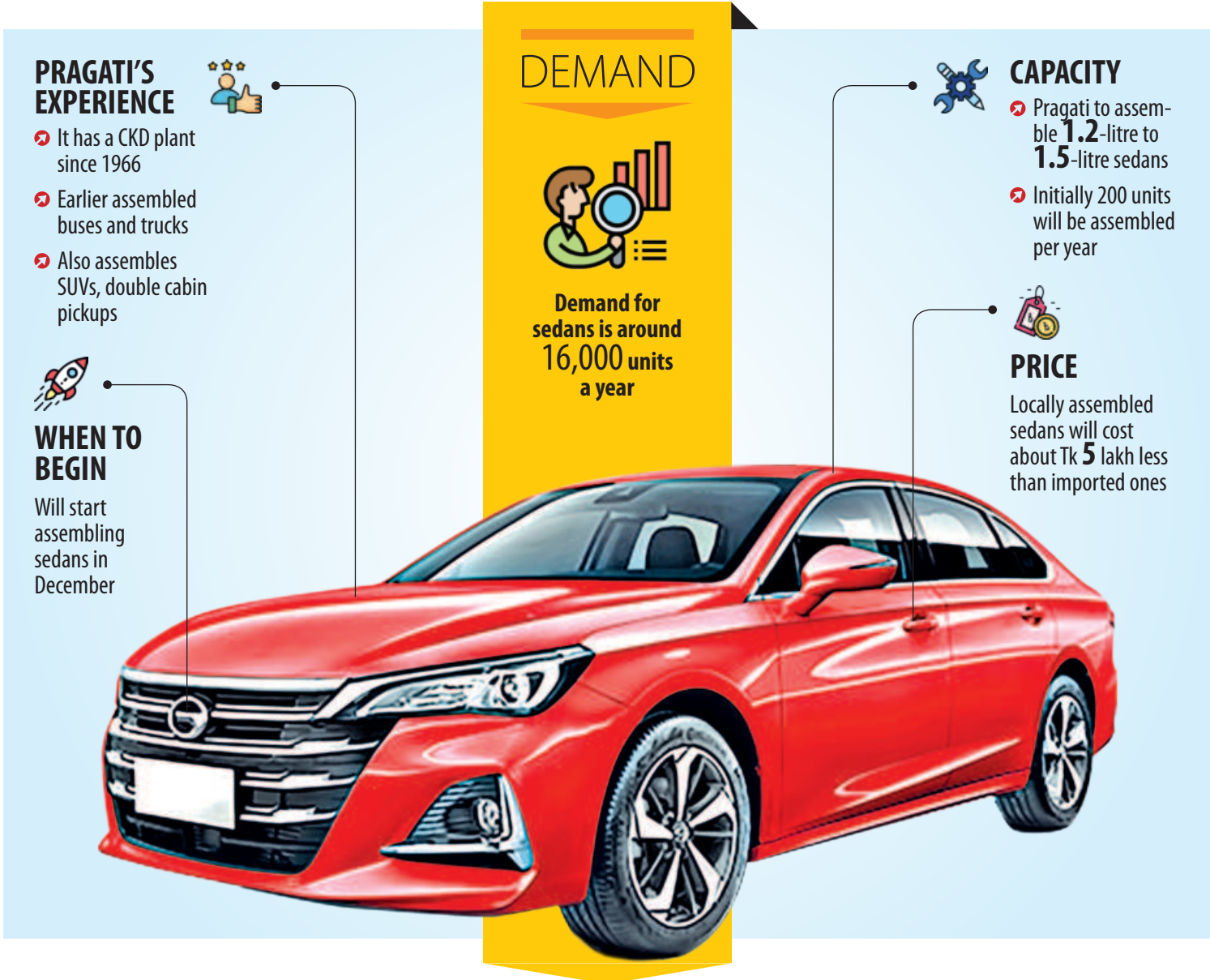
Pragati sold only 177 vehicles in the last fiscal year whereas 711 units were sold the year prior.

Azad said there is currently limited demand for new cars in Bangladesh, where most people buy second hand. However, he said Mitsubishi holds a significant share of brand-new car sales in the country.

At present, around 16,000 cars hit the streets every year, according to data of the Bangladesh Road Transport Authority.

During a visit to Bangladesh in May 2019, Ryujiro Kobashi, vice president of MMC disclosed they would invest in Bangladesh to produce their branded vehicles.

Kobashi sought policy support from the government in this regard.



Cyber terror alert on August 15

MAHTAB UDDIN AHMED

In 2020, a cyber-criminal managed to take over the Twitter accounts of several high-profile individuals and companies, including Elon Musk, Joe Biden and Apple. The accounts were used to post a Bitcoin scam, promising followers they would receive double their money back if they sent Bitcoin to a specific address.

If that can happen to the people of the first world, then Bangladesh has valid reasons to worry about the rumour that shockers are in store for August 15!

The National Mourning Day on August 15 is a solemn occasion observed with much respect across the country. But this year, the impending occasion is abuzz with speculations of serious threats of cyber-attack from some religious and ideologically motivated hacker groups.

According to sources, they have declared their intent to launch a storm of cyber-attacks against the country's cyberspace on the day. The government's Computer Incident Response Team (BGD e-GOV CIRT) has issued an alert to all public and private organisations, especially banks, financial institutions, health care, and critical information infrastructures, to take the necessary precautions against any conceivable disruption and damage.

The hacker groups have long been targeting organisations in Pakistan and Bangladesh using various tactics such as distributed denial-of-service attacks, website defacements, data breaches, and malicious payloads.

The National Cyber Security Index 2020 of the UK ranked Bangladesh 65th among 160 countries, a commendable improvement from its previous ranking of 73rd. Bangladesh also ranked second among Saarc countries. Despite such improvements, Bangladesh is still far from being invincible to such cyber-terror attacks.

Cyber-attacks can compromise the confidentiality, integrity, and availability of sensitive information, such as personal details, financial transactions, health records, and national secrets, leading to identity theft, fraud, blackmail, espionage, and sabotage.

When a national day of such magnitude is chosen for such vile acts, it is apparent that the target is to undermine the trust and confidence of the people in its government, disrupt the social harmony of the state, and create fear, panic, and confusion among the people.

The likelihood of a cyber-terror attack on August 15 depends on multiple factors, such as the expertise and motives of the hacker groups. In all likelihood, the hackers are aware of the loopholes in the existing systems in both government and private institutions.

Some recent incidents serve to indicate that despite their severity, we, as a nation, have not taken the risks of cyber security seriously. The cyber-attack alert issued by BGD e-GOV CIRT advises organisations to take measures to ensure their security, including monitoring user activity, especially during non-office hours, and watching out for any indication of data exfiltration, implementing load balancer solutions, regular backup of data and systems, and keeping them offline or in a separate network, updating all software and hardware with the latest patches and security updates, implementing strong authentication and encryption mechanisms for accessing systems and data.

The potential cyber-attack on August 15 challenges the country's cyber security and sovereignty. It requires the collective effort and cooperation of all stakeholders, including the government, the private sector, civil society, and the general public, to prevent and mitigate the impact of such attacks.

The country must also strengthen its legal and institutional framework for cyber security, enhance capacity-building and awareness-raising initiatives, and foster regional and international collaboration to combat cyber threats.

The author is founder and managing director of BuildCon Consultancies Ltd

The author is founder and managing director of BuildCon Consultancies Ltd

The author is founder and managing director of BuildCon Consultancies Ltd



Cargo shipping containers are seen adjacent to oil storage tanks in Carson, California. Crude oil prices edged up yesterday with European benchmark Brent futures jumping 1.6 percent to \$87.55 a barrel, its highest reading since January.

PHOTO: REUTERS/FILE

Oil prices rise to multi-month highs

AFP, New York

Oil prices rose to a multi-month peak Wednesday in the wake of Opec supply cuts while global stocks were mixed following disappointing China data.

China slipped into deflation for the first time in more than two years in July, official data showed, as slowing domestic spending weighs on the post-Covid economic recovery.

Despite the anemic China figures, crude oil prices vaulted higher with European benchmark Brent futures jumping 1.6 percent to \$87.55 a barrel, its highest reading since January.

US benchmark West Texas Intermediate rose by a similar percentage to finish at its highest level since November 2022.

Production limitations set by the Opec + exporters "are continuing to offset concerns over demand," said Fawad Razaqzada, market analyst at Forex.com.